

FISCAL IMPACT STATEMENT ON BILL NO. **S.322, as Amended**

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TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	May 15, 2007	SBD:	2007342

AUTHOR:	Senator Hayes	PRIMARY CODE CITE:	59-114-10
SUBJECT:	National Guard College Assistance Program Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

This Bill would amend the Code of Laws so as to provide for a college assistance program for eligible National Guard members, discontinues the National Guard Loan Repayment Program to new participants beginning with the academic year 2007-08 and repeals provision that enabled one-half tuition for guardsmen at the option of the institution and on a seat available basis. The Commission on Higher Education (CHE) would administer the college assistance program that would provide eligible guard members attending eligible public or independent institutions with up to an average of \$4,500 per year for no more than 130 credit hours or four years.

EXPLANATION OF IMPACT:

Commission on Higher Education (CHE)

CHE estimates the maximum net impact on the State associated with enactment of this Bill at \$953,838. Costs associated with the newly created National Guard College Assistance Program are estimated at \$2,783,025. There are currently 589 guardsmen enrolled in our state's colleges according to the Adjutant General's office. If each guardsman received a grant of \$4,500, the maximum anticipated cost for grants is \$2,650,500 (589 x \$4,500) plus an additional 5 percent of \$132,525 for CHE to administer the program (as allowed under section 59-114-65 of the Bill). The State currently provides \$1,829,187 (\$1.7 million Lottery plus \$129,187 General Funds) in funding for the existing National Guard Loan Program. Since this legislation discontinues that program to new enrollees and since funding is already sufficient to meet the obligations for current participants, no future funding for this program would be required. Existing funding could be diverted to the newly created College Assistance Program thereby resulting in a net impact on the State of \$953,838 (\$2,783,025 - \$1,829,187). The impact on the General Fund of the State is at the General Assembly's discretion. This initiative could be funded with State General Funds and/or Education Lottery funds.

Approved by:



Harry Bell
Assistant Director, Office of State Budget